

Partners in Progress: Aetna and Pitney Bowes Create State-of-the-Art Automated Document Factory

To be successful today, it is essential that businesses have a productive and meaningful dialogue with their customers. But in many organizations the responsibility for customer communications is found across many different departments, managers and executives. So a key challenge for business managers is to ensure an effective, consistent and seamless communications process throughout an enterprise, while still delivering a return on investment to the company.

To meet these challenges, Aetna, one of the nation's largest health care insurers, has partnered with Pitney Bowes, the industry's most experienced and knowledgeable provider of mailing and document management solutions.

In 2002, Aetna was successfully growing market share through acquisitions and geographic expansion. The firm was focusing its efforts and resources on integrating the operations of its U.S. Healthcare and Prudential acquisitions while simultaneously managing multiple data processing and print/mail functions.

A FOCUS ON INNOVATION AND SIMPLIFICATION

While Aetna had always invested in best-of-breed print/mail finishing technology, including internal facilities and outsourced relationships, the company wanted to bring operations to a higher level to meet the demands of its growing business. For example, the insurer's laser printers were "channel attached" to its business applications, which meant that revising the firm's legacy business applications required time-consuming and costly reprogramming. De-coupling the printers was absolutely essential to enable the Pitney Bowes print stream engineering techniques to help boost performance as well as assure mail piece integrity.

Aware that effective communications were essential in developing successful customer relationships, Aetna was also managing a multitude of separate mailing applications. The insurer was administering more than 1,800 separate messaging-related applications and more than 5,000 related files. In addition, Aetna wanted to deliver greater shareholder value by lowering mailing costs. The company also needed to meet new regulatory



requirements, which meant protecting information and verifying that individual mail pieces were processed as intended and deposited with the United States Postal Service® (USPS®).

Aetna's solution was to partner with Pitney Bowes and create a state-of-the-art automated document factory (ADF). Together, the two companies turned an empty building shell in Windsor, Connecticut, into a fully-equipped and operating data-processing-to-print-to-mail facility – in less than five months. One of Pitney Bowes' contributions to the process was bringing to the mix software and service capabilities from its other Connecticut locations in Danbury and Stamford.

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This joint effort demanded an unprecedented level of leadership from Aetna and a great deal of cooperation between the two partners. More than 125 people from both organizations and related vendors, including IBM and Xerox, were assigned to the start-up project. An innovative, web-based project management tool helped guide and monitor progress. At the time, the e-project was the largest of its kind and provided executives in both organizations instant access for monitoring and controlling more than 4,000 line items related to the project.

A STATE-OF-THE-ART SOLUTION

The Aetna ADF is a "factory" in every sense. Raw material in the form of data, paper and envelopes is assembled together at high speed, and transformed into messages detailing personal and confidential transactions in hard copy form.

Today, the 57,500-square-foot facility houses the latest in data processing, printing and mail finishing technology and assures the prompt, accurate and fully confidential document composition and production of more than 425,000 envelopes per day. Applications encompass the entire spectrum of health care insurance activities, including policy assembly, account statements, EOBs and payments to providers and members.

The customer messaging process starts onsite, where the Pitney Bowes team operates a full IT shop. The core is the latest-generation IBM eServer® zSeries™ 800 (z800) mainframe, which receives the data for print and mail finishing. Also on-site are servers housing the Pitney Bowes DFWorks® software solution, an innovative suite of management tools that elicits real-time shop floor performance data and makes an unprecedented view and control of production possible, even from remote locations.

Other key capabilities available include Group 1's DOC1® and StreamWeaver® software for document composition and print stream engineering, and Finalist® and Mailer's Choice® software for address cleansing and pre-sorting. Additionally, the on-site inventory of raw materials is fully controlled by an advanced software solution.

The print component of the ADF consists of two platforms. One is a cut sheet format and is handled by four Xerox DocuPrint™ DP180 laser printers. The second is a continuous roll format and is output on seven IBM Infoprint® laser printers. The mail finishing component consists of a network of 10 high-speed intelligent inserting systems, each equipped with the Direct Connect file-based reporting and control system for assured mail piece integrity. The workhorse 8 Series™ and 12 Series™ inserting systems handle the ADF's full range of mailing applications, including No. 10, 6 x 9 inch and 9 x 12 inch business envelopes for standard, half fold and flat applications with high levels of performance and accuracy.

*Aetna's ADF produces more than
425,000 mail pieces per day.*

In addition, Aetna realized early on the cost savings benefits available by utilizing Pitney Bowes presort mailing capabilities. Hard copy mail is brought to a nearby PSI Group facility, where it is sorted and co-mingled with additional mail pieces to qualify for postal discounts. Presorting these communications not only allows Aetna to eliminate many of the steps associated with the traditional mailing processes, but also speeds delivery of the mail at a lower cost.

The entire ADF process – from initial data processing, to printing, to mail finishing to presorting to deposit with the USPS® for eventual delivery to the customer – is completed within the established service-level agreements.

RESULTS SO FAR

Cost savings exceed \$15 million over five years and are derived from five sources: print and postage cost savings, infrastructure savings, improved format and content of mailings and improved controls and efficiencies. Print and postage cost savings is the most significant portion of the total cost reduction and is a result of mail piece consolidation, a conversion from cut sheet to continuous form printing and postal presorting. In addition to cost effectiveness, Aetna has enhanced the customer communication experience with more streamlined documents.



Engineering the flow of communication™

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